

REFERENCE TITLE: lottery games; state buildings restoration

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

## **HB 2625**

Introduced by  
Representative Konopnicki

AN ACT

AMENDING SECTION 5-504, ARIZONA REVISED STATUTES; RELATING TO THE STATE LOTTERY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2       Section 1. Section 5-504, Arizona Revised Statutes, is amended to  
3 read:

4           5-504. Commission: director: powers and duties: definitions

5       A. The commission shall meet with the director not less than once each  
6 quarter to make recommendations and set policy, receive reports from the  
7 director and transact other business properly brought before the commission.

8       B. The commission shall oversee a state lottery to produce the maximum  
9 amount of net revenue consonant with the dignity of the state. To achieve  
10 these ends, the commission shall authorize the director to adopt rules in  
11 accordance with title 41, chapter 6. Rules adopted by the director may  
12 include provisions relating to the following:

13           1. Subject to the approval of the commission, the types of lottery  
14 games and the types of game play-styles to be conducted.

15           2. The method of selecting the winning tickets or shares for  
16 noncomputerized on-line games, except that no method may be used which, in  
17 whole or in part, depends on the results of a dog race, a horse race or any  
18 sporting event.

19           3. The manner of payment of prizes to the holders of winning tickets  
20 or shares including providing for payment by the purchase of annuities in the  
21 case of prizes payable in installments, except that the commission staff  
22 shall examine claims and may not pay any prize based on altered, stolen or  
23 counterfeit tickets or based on any tickets which fail to meet established  
24 validation requirements, including rules stated on the ticket or in the  
25 published game rules, and confidential validation tests applied consistently  
26 by the commission staff. No particular prize in a lottery game may be paid  
27 more than once, and in the event of a binding determination that more than  
28 one person is entitled to a particular prize, the sole remedy of the  
29 claimants is the award to each of them of an equal portion of the single  
30 prize.

31           4. The method to be used in selling tickets or shares, except that no  
32 elected official's name may be printed on such tickets or shares. The  
33 overall estimated odds of winning some prize or some cash prize, as  
34 appropriate, in a given game shall be printed on each ticket or share.

35           5. The licensing of agents to sell tickets or shares, except that a  
36 person under the age of eighteen shall not be licensed as an agent.

37           6. The manner and amount of compensation to be paid licensed sales  
38 agents necessary to provide for the adequate availability of tickets or  
39 shares to prospective buyers and for the convenience of the public, including  
40 provision for variable compensation based on sales volume.

41           7. Matters necessary or desirable for the efficient and economical  
42 operation and administration of the lottery and for the convenience of the  
43 purchasers of tickets or shares and the holders of winning tickets or shares.

44       C. The commission shall authorize the director to issue orders and  
45 shall approve orders issued by the director for the necessary operation of

1 the lottery. Orders issued under this subsection may include provisions  
2 relating to the following:

3       1. The prices of tickets or shares in lottery games.

4       2. The themes, game play-styles, and names of lottery games and  
5 definitions of symbols and other characters used in lottery games, except  
6 that each ticket or share in a lottery game shall bear a unique  
7 distinguishable serial number.

8       3. The sale of tickets or shares at a discount for promotional  
9 purposes.

10      4. The prize structure of lottery games, including the number and size  
11 of prizes available. Available prizes may include free tickets in lottery  
12 games and merchandise prizes.

13      5. The frequency of drawings, if any, or other selections of winning  
14 tickets or shares, except that:

15       (a) All drawings shall be open to the public.

16       (b) The actual selection of winning tickets or shares may not be  
17 performed by an employee or member of the commission.

18       (c) Noncomputerized on-line game drawings shall be witnessed by an  
19 independent observer.

20      6. Requirements for eligibility for participation in grand drawings or  
21 other runoff drawings, including requirements for the submission of evidence  
22 of eligibility within a shorter period than that provided for claims by  
23 section 5-518.

24      7. Incentive and bonus programs designed to increase sales of lottery  
25 tickets or shares and to produce the maximum amount of net revenue for this  
26 state.

27      D. Notwithstanding title 41, chapter 6 and subsection B of this  
28 section, the director, subject to the approval of the commission, may  
29 establish a policy, procedure or practice that relates to an existing on-line  
30 game or a new on-line game which is the same type and has the same type of  
31 game play-style as an on-line game currently being conducted by the lottery  
32 or may modify an existing rule for an existing on-line game or a new on-line  
33 game which is the same type and has the same type of game play-style as an  
34 on-line game currently being conducted by the lottery, including establishing  
35 or modifying the matrix for an on-line game by giving notice of the  
36 establishment or modification at least thirty days before the effective date  
37 of the establishment or modification.

38      E. The commission shall maintain and make the following information  
39 available for public inspection at its offices during regular business hours:

40       1. A detailed listing of the estimated number of prizes of each  
41 particular denomination expected to be awarded in any instant game currently  
42 on sale.

43       2. After the end of the claim period prescribed by section 5-518, a  
44 listing of the total number of tickets or shares sold and the number of  
45 prizes of each particular denomination awarded in each lottery game.

1       3. Definitions of all play symbols and other characters used in each  
2 lottery game and instructions on how to play and how to win each lottery  
3 game.

4       F. Any information that is maintained by the commission and that would  
5 assist a person in locating or identifying a winning ticket or share or that  
6 would otherwise compromise the integrity of any lottery game is deemed  
7 confidential and is not subject to public inspection.

8       G. The commission ~~shall~~, in addition to other games authorized by this  
9 article, SHALL establish two special games for each year to be conducted  
10 concurrently with other lottery games authorized under subsection B of this  
11 section. The monies for prizes, for operating expenses and for payment to  
12 the commerce and economic development commission fund, as provided in section  
13 5-522, subsection A, paragraph ~~3-2~~ 2, shall be accounted for separately as  
14 nearly as practicable in the lottery commission's general accounting  
15 system. The monies shall be derived from the revenues of the special games,  
16 and monies for prizes do not become an expense to the lottery commission's  
17 annual appropriation as provided in section 5-505, subsection D and section  
18 5-522, subsection H. Monies saved from the revenues of the special games, by  
19 reason of operating efficiencies, shall become other revenue of the lottery  
20 commission and revert to the state general fund.

21      H. The commission ~~may~~, in addition to other games authorized by this  
22 article, MAY establish multistate lottery games to be conducted concurrently  
23 with other lottery games authorized under subsections B and ~~H-G~~ G of this  
24 section. The monies for prizes, for operating expenses and for payment to  
25 the local transportation assistance fund, as provided in section 28-8101, and  
26 the state general fund shall be accounted for separately as nearly as  
27 practicable in the lottery commission's general accounting system. The  
28 monies shall be derived from the revenues of multistate lottery games.

29      I. The commission or director shall not establish or operate any  
30 on-line or electronic keno game or any game played on the internet.

31      J. The director shall print, in a prominent location on each lottery  
32 ticket or share, a statement that help is available if a person has a problem  
33 with gambling and a toll free telephone number where problem gambling  
34 assistance is available. The director shall require all licensed agents to  
35 post a sign with the statement that help is available if a person has a  
36 problem with gambling and the toll free telephone number at the point of sale  
37 as prescribed and supplied by the director. The requirements of this  
38 subsection apply to tickets and shares printed after July 18, 2000.

39      K. BEGINNING IN FISCAL YEAR 2006-2007, IN ADDITION TO OTHER GAMES  
40 AUTHORIZED BY THIS ARTICLE, THE COMMISSION SHALL ESTABLISH TWO SPECIAL GAMES  
41 FOR EACH YEAR TO BE CONDUCTED CONCURRENTLY WITH OTHER LOTTERY GAMES  
42 AUTHORIZED UNDER SUBSECTION B OF THIS SECTION. THE MONIES FOR PRIZES, FOR  
43 OPERATING EXPENSES AND FOR PAYMENT TO THE STATE GENERAL FUND SHALL BE  
44 ACCOUNTED FOR SEPARATELY AS NEARLY AS PRACTICABLE IN THE LOTTERY COMMISSION'S  
45 GENERAL ACCOUNTING SYSTEM. THE MONIES SHALL BE DERIVED FROM THE REVENUES OF

1 THE SPECIAL GAMES. THE MONIES ALLOCATED TO THE STATE GENERAL FUND SHALL BE  
2 USED FOR CAPITAL SPENDING FOR RESTORATION OF STATE BUILDINGS.

3 ~~K-~~ L. For the purposes of this section:

4 1. "Game play-style" means the process or procedure that a player must  
5 follow to determine if a lottery ticket or share is a winning ticket or  
6 share.

7 2. "Matrix" means the odds of winning a prize and the prize payout  
8 amounts in a given game.